

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:582
ANSWERED ON:09.07.2004
INCOME TAX EVASION
Reddy Shri S.P.Y.

Will the Minister of FINANCE be pleased to state:

- (a) the total volume of income tax evaded by the tax payers during the last three years, year-wise;
- (b) the steps taken to realise the same so for;
- (c) whether the Government has any special contingent plan in this regard; i
- (d) if so, the details thereof; and
- (e) if not, the steps contemplated to recover the tax arrears?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM).

(a): On the basis of the income tax assessments made pursuant to searches conducted under Section 132 of the Income Tax Act, the tax evasion for the last three financial years is found to be as under

F.Y. TaxEvaded (Rs. incrore)

2001-02	1717.17
2002-03	1546.40
2003-04	5041.71

(b): The Income Tax Act provides for various measures to recover the tax dues in such cases. Accordingly, the cash seized during search & seizure operations is adjusted against the tax demand of the assessee. Other assets seized during the search & seizure are also liable to be used for realization of the tax demand, if the assessee does not pay the tax. Refunds, if any, arising in the case for any year(s) are also appropriated against the pending demands. Attachment and sale of moveable and immovable assets of the defaulters is also carried out as provided in the Second Schedule to the Income Tax Act. Penal provisions in the IT Act are also invoked to enforce collection of tax arrears in such cases.

(c),(d) & (e): In view of the various measures provided in the IT Act itself for recovery of the tax dues as outlined above, no special contingent plan has been considered necessary